

LHK

HRL

CR12 00410

## UNITED STATES DISTRICT COURT

## NORTHERN DISTRICT OF CALIFORNIA

## SAN JOSE DIVISION

## THE UNITED STATES OF AMERICA

vs.

MELVIN RUSSELL "RUSTY" SHIELDS,  
MICHAEL SIMS, and  
SAM STAFFORD

INDICTMENTCOUNT ONE:

18 U.S.C. § 1349 – Conspiracy to Commit Wire, Mail, and Bank  
Fraud

COUNTS TWOTHROUGH TWENTY:

18 U.S.C. § 1343 - Wire Fraud; 18 U.S.C. § 2 – Aiding and Abetting

COUNT TWENTY-ONE:

18 U.S.C. § 1341 – Mail Fraud; 18 U.S.C. § 2 – Aiding and Abetting

COUNT TWENTY-TWOTHROUGH TWENTY-EIGHT:

18 U.S.C. § 1344 – Bank Fraud; 18 U.S.C. § 2 – Aiding and Abetting

COUNTS TWENTY-NINETHROUGH THIRTY-THREE:

15 U.S.C. §§ 78j(b) and 78ff; 17 C.F.R. §§ 240.10b-5 -  
Securities Fraud; 18 U.S.C. § 2 - Aiding and Abetting

FORFEITURE ALLEGATION:

18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(C) – Forfeiture of  
Proceeds of Specified Unlawful Activity

*A true bill.*

*Mary Elizabeth Sladek*  
Foreperson

Filed in open court this 23<sup>rd</sup> day of May A.D. 2012

PRES. [Signature]  
UNITED STATES MAGISTRATE JUDGE

Bail. \$ NO bail arrest warrant as to each defendant

DOCUMENT NO.	Case No.
	INITIALS
DISTRICT COURT CRIMINAL CASE PROCESSING	

SEALED BY ORDER  
OF COURT

FILED

MAY 23 2012

RICHARD W. WIEKING  
CLERK U.S. DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN JOSE

MELINDA HAAG (CABN 132612)  
United States Attorney

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN JOSE DIVISION

UNITED STATES OF AMERICA

Plaintiff,

v.

MELVIN RUSSELL "RUSTY" SHIELDS,  
MICHAEL SIMS, and  
SAM STAFFORD,  
Defendants.

CR 12

No.

00410

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VIOLATIONS:

18 U.S.C. § 1349 (Conspiracy); 18 U.S.C. §  
1343 (Wire Fraud); 18 U.S.C. § 1341 (Mail  
Fraud); 18 U.S.C. § 1344 (Bank Fraud); 15  
U.S.C. §§ 78j(b) and 78ff, 17 C.F.R. §§  
240.10b-5 and 240.10b5-2, 18 U.S.C. § 2  
(Securities Fraud); 18 U.S.C. § 981(a)(1)(C)  
and 28 U.S.C. § 2461(c) (Forfeiture  
Allegation)

INDICTMENT

The Grand Jury charges:

COUNT ONE: (18 U.S.C. § 1349 – Conspiracy to Commit Wire, Mail, and Bank Fraud)

At all times relevant to this Indictment:

Relevant Entities and Individuals

1. S3 Partners LLC was a Nevada limited liability real estate development company with its principal place of business in the Northern District of California. The three founders of S3 Partners were Melvin Russell "Rusty" Shields ("Shields"), Michael Sims ("Sims"), and Sam Stafford ("Stafford") (hereinafter collectively referred to as "the S3 Partners"). The S3 Partners

INDICTMENT

1 conducted business out of a variety of locations including San Jose, Campbell, and Palo Alto,  
2 California, and Hickory, North Carolina.

3 2. Beginning in 2006, the three S3 Partners solicited individual investors and banks  
4 to provide them money for one or more of several S3 real estate development projects. For each  
5 project the S3 Partners formed a limited liability corporation (LLC) and opened a bank account  
6 in the name of the LLC to receive investor funds. The S3 Partners collectively controlled various  
7 S3 Partners real estate development projects, affiliated entities, and financial accounts.

8 3. The S3 Partners directed investors and banks to wire money to the S3 Partners or  
9 their affiliated entities. After the S3 Partners received the funds, they would often provide S3  
10 investors with a promissory note and an operating agreement for the specific S3 project in which  
11 they invested. In many instances, the S3 Partners represented to individual investors that they  
12 were purchasing securities, namely shares in an S3 Partners-affiliated LLC related to a specific  
13 S3 Partners real estate development project.

14 4. Shields, a resident of Granite Falls, North Carolina, was the S3 Partner who had  
15 primary financial control over the S3 bank accounts and directed the flow of investor money.  
16 Shields falsely represented himself to investors as a successful international hedge fund manager.  
17 Shields was convicted of felony larceny in 1986, and also filed for Chapter 7 bankruptcy in 1999.  
18 Shields arranged for numerous S3 Partners-related bank accounts to be opened, including but not  
19 limited to accounts in the name of S3 Partners, accounts in the name of the LLCs affiliated with  
20 many of S3 Partners' real estate development projects, and accounts in the name of what Shields  
21 represented was his charitable foundation, the Shield Foundation.

22 5. Michael Sims, a resident of Gilroy, California, was the S3 Partner designated to  
23 do most of the fundraising for the various S3 real estate development projects. Through  
24 conferences, seminars, referrals, and dinner meetings, Sims and the other S3 Partners attracted  
25 potential investors and solicited them to invest large sums of money from their savings, home  
26 equity loans, and individual retirement accounts. Sims directed the investors where to send their  
27 investments and then provided a signed promissory note as well as an operating agreement  
28 pertaining to the project in which they invested. Sims signed promissory notes and operating

INDICTMENT

1 agreements as a manager of S3 Partners and affiliated entities. Sims was also the owner-operator  
2 of several financial planning and insurance companies located in San Jose—Golden Crest Wealth  
3 Management, Golden Crest Insurance Services, Inc., and Exchange Advantage LLC. The  
4 California Department of Real Estate suspended Sims' real estate license indefinitely in 1978.

5 6. Sam Stafford, a resident of Campbell, California, was the S3 Partner designated to  
6 take the lead on real estate development. Stafford represented himself to be a certified  
7 construction manager with a long history of successful real estate developments. Stafford  
8 claimed to oversee the development of S3's real estate development projects. Stafford was the  
9 owner-operator of the real estate development company Alaris Development. Stafford also  
10 participated in S3 investor seminars and conferences and personally met with a number of  
11 investors to solicit their money, explain real estate development project details, and promise high  
12 rates of return. Stafford signed many operating agreements and promissory notes as a S3 Partner,  
13 and also as the manager of numerous S3-related LLCs. Stafford also controlled a company  
14 named Pierce Arrow Investors LLC, which was used to receive certain payments from S3  
15 investors.

16 7. From 2006 to 2009, the S3 Partners represented to individual investors and banks  
17 that the S3 Partners were involved with numerous real estate development projects, including but  
18 not limited to the Stagecoach Retail Project, the Sonterra Project, the Alafia Village Project, and  
19 the Oakmont Property.

20 8. The S3 Partners' scheme targeted individual investors in the Northern District of  
21 California and elsewhere throughout the United States, including but not limited to the following  
22 individuals residing in the Northern District of California: investor P.W., investor M.N., investor  
23 M.S., investor M.W., investor R.H., investor S.K., investor J.K., investor J.T., and investor J.C.

24 9. The FEDWIRE system was an electronic funds transfer and book-entry securities  
25 transfer service that linked twelve Federal Reserve Banks with approximately 10,000 depository  
26 institutions nationwide. Every funds transfer sent through FEDWIRE automatically triggers an  
27 electronic wire communication to the Funds Transfer Host Application located in East  
28 Rutherford, New Jersey, for registration before being transferred to its final destination.

INDICTMENT

S3 Partners and the Stagecoach Retail Project

10. In approximately January 2007, the S3 Partners began a real estate development project that they named the Stagecoach Retail Project. The Stagecoach Retail Project was to have been retail store tenant units located within the Stagecoach Village shopping center development near Phoenix, Arizona. To facilitate the Stagecoach Retail Project, the S3 Partners established Stagecoach Retail LLC, a limited liability company.

11. The S3 Partners recruited individual investors to invest in the Stagecoach Retail Project by representing that (A) their money would go only to the Stagecoach Retail Project; (B) the tenant units in the Stagecoach Retail Project were almost fully completed; and (C) investor funds were safe and secure because, among other reasons, investors would own a percentage of the land and buildings on which the Stagecoach Retail Project was to be located. Based on these representations, investors provided the S3 Partners with approximately \$2.4 million to invest in the Stagecoach Retail Project. In exchange for their investments, several Stagecoach investors received from the S3 Partners securities in the form of shares of Stagecoach Retail LLC.

12. The S3 Partners also received over \$4 million from a FDIC-insured bank in connection with the Stagecoach Retail Project. In approximately December 2007, Stagecoach Retail LLC obtained a bank loan from First Savings Bank, purportedly to purchase the tenant units and facilitate the completion of the Stagecoach Retail Project. The First Savings Bank loan contract had a construction portion designating that over \$1 million of the loan proceeds would be used to fund the construction of Stagecoach tenant units and improvements. The S3 Partners obtained financial draws on the First Savings Bank loan by submitting fraudulent invoices falsely stating that certain construction work and property improvements had been completed on the Stagecoach Retail Project.

13. In reality, the S3 Partners used only a portion of Stagecoach investor and bank loan funds on the Stagecoach Retail Project. The S3 Partners diverted the remainder of Stagecoach Retail investor and bank loan funds (without the knowledge or permission of those investors or banks) for other S3 real estate development projects as well as for the S3 Partners' personal use, their personal business ventures, and other unauthorized uses. The S3 Partners did

1 not complete the retail tenant units within the Stagecoach Retail Project as promised, and First  
2 Savings Bank ultimately was forced to foreclose. The failure of the S3 Stagecoach Retail project  
3 cost individual investors and First Savings Bank over \$4 million in losses.

4 S3 Partners and the Sonterra Project

5 14. On or before July 2007, the S3 Partners began recruiting investors for a real estate  
6 development project that they named the Sonterra Project. The Sonterra Project was to have  
7 been developed as a 130-acre mixed-use retail center located near Austin, Texas. To facilitate  
8 the Sonterra Project, the S3 Partners established Sonterra Retail Center LLC, a Texas limited  
9 liability company.

10 15. The S3 Partners recruited individual investors to invest in the Sonterra Project by  
11 representing that (A) their money would go only to the Sonterra Project; and (B) investor funds  
12 were safe and secure because, among other reasons, investors would own a percentage of the land  
13 on which the Sonterra Project was located. Based on these representations, individual investors  
14 provided the S3 Partners with over \$1 million that was to be used on the Sonterra Project.  
15 In exchange for their investments, several Sonterra investors received from the S3 Partners  
16 securities in the form of shares of Sonterra Retail Center LLC.

17 16. In reality, the S3 Partners used less than half of Sonterra investor funds to obtain  
18 only an option to buy the property on which the Sonterra Project was to have been developed.  
19 The S3 Partners diverted the remainder of Sonterra investor funds (without the knowledge or  
20 permission of those investors) for the S3 Partners' personal use, their personal business ventures,  
21 and other unauthorized uses. The S3 Partners did not exercise their original option to purchase  
22 the Sonterra property, and the option expired. The Sonterra project ultimately failed, resulting in  
23 a total loss to investors.

24 S3 Partners and the Alafia Village Project

25 17. In approximately June 2007, the S3 Partners began a real estate development  
26 project that they named the Alafia Village Project. The Alafia Village Project was to have been a  
27 development located near Tampa, Florida, serving the elderly community. To facilitate the  
28 Alafia Village Project, the S3 Partners established Kingsmen Alf Group LLC, a Florida limited



1 liability company.

2 18. The S3 Partners recruited individual investors to invest in the Alafia Village  
3 Project by representing that (A) their money would go only to the Alafia Village Project; (B)  
4 investor funds were safe and secure because, among other reasons: (1) the S3 Partners owned  
5 free of liens the land on which the Alafia Village Project was to be located; (2) individual  
6 investors would be able to become tenants-in-common in the Alafia Health Care Center, a  
7 valuable existing property located at 3918 S Kings Avenue in Brandon, Florida; and (3) the S3  
8 Partners had obtained valuable pre-construction "entitlements" such as necessary permits and  
9 land use approvals that increased the Alafia Village Project's likelihood of success. Based on  
10 these representations, investors provided the S3 Partners with approximately \$1 million that was  
11 to have been used on the Alafia Village Project.

12 19. In reality, the S3 Partners used only a portion of Alafia investor funds on the  
13 Alafia Village Project. The S3 Partners diverted the remainder of Alafia investor funds (without  
14 those investors' knowledge or permission) for the S3 Partners' personal use, their personal  
15 business ventures, and other unauthorized uses. Unbeknownst to individual Alafia investors,  
16 Shields also caused approximately \$450,000 in additional bank debt to be assumed on the Alafia  
17 Village Project from Florida Capital Bank, then failed to keep up with payments on this  
18 additional debt. The Alafia Village Project ultimately failed, resulting in a near-total loss to  
19 individual investors.

20 S3 Partners and the Oakmont Property

21 20. In December 2006, the S3 Partners purchased for \$3 million a multi-unit  
22 residential estate located on 3010 Oakmont Drive in Clearwater, Florida ("the Oakmont  
23 Property"). This original purchase price of \$3 million consisted of \$2 million from individual  
24 investors, as well as \$1 million in seller financing. To facilitate that original purchase, the S3  
25 Partners had established Oakmont LLC, a Florida limited liability company, which held actual  
26 title to the Oakmont property.

27 21. A straw buyer is a person who allows his or her name, identifiers, and credit rating  
28 to be used to secure a mortgage for the purchase of real property. The straw buyer generally

INDICTMENT

1 understands that he or she will neither occupy the property nor make payments on the loan. The  
2 straw buyer is generally paid a fee by someone who either intends to flip the property or use the  
3 loan to launder illicit funds.

4 22. Starting in October 2007, the S3 Partners arranged for a straw buyer to seek to  
5 purchase the Oakmont Property from them for \$4 million. The straw buyer sought to obtain a  
6 \$2.4 million mortgage loan from FDIC-insured Century Bank to enable him to purchase the  
7 Oakmont Property for \$4 million. The S3 Partners assisted the straw buyer in filling out the  
8 mortgage loan application. After reviewing the completed mortgage loan application, Century  
9 Bank requested additional information justifying why the Oakmont Property had supposedly  
10 appreciated \$1 million since the S3 Partners had originally purchased it less than a year earlier.  
11 The S3 Partners and others acting on their behalf then provided, through a real estate broker to  
12 Century Bank, invoices that falsely claimed that certain improvements had been completed on  
13 the Oakmont Property. In November 2007, as a result of these invoices and other false  
14 representations made by the S3 Partners and the straw buyer, Century Bank issued an  
15 approximately \$2.4 million mortgage loan for the straw buyer to purchase the Oakmont property.  
16 As part of funding the loan, Century Bank paid approximately \$2.4 million to the S3 Partners  
17 through their entity Oakmont LLC. Shields assisted the straw buyer in filling out the loan  
18 closing documents. As part of this process, Shields and the straw buyer arranged to have the  
19 straw buyer's wife's signature forged and falsely notarized on numerous closing documents.

20 23. The straw buyer did not use his own money to make the down payment or  
21 mortgage loan interest payments for the Oakmont Property. At part of the closing of the  
22 Oakmont Property on November 30, 2007, the straw buyer made a "down payment" of  
23 approximately \$846,000. However, the S3 Partners had provided the straw buyer \$250,000 of  
24 that \$846,000 by diverting investor funds from the Alafia Village Project. By the end of the day  
25 of the Oakmont closing on November 30, 2007, the S3 Partners had repaid the straw buyer the  
26 remainder of his \$846,000 "down payment."

27 24. The straw buyer also never made any interest payments on the \$2.4 million  
28 mortgage loan he had obtained from Century Bank for the Oakmont Property. On January 1,

INDICTMENT



2008—a month after taking ownership—the straw buyer signed a quit claim deed transferring the Oakmont Property back to Oakmont LLC. The straw buyer and the S3 Partners failed to keep current on mortgage payments, and the Oakmont Property eventually fell into foreclosure. During this process, the straw buyer unsuccessfully asked Century Bank’s successor entity, Iberia Bank, to allow a short sale of the Oakmont Property to a corporate entity named Convergent Management Group LLC. The straw buyer failed to disclose to Iberia Bank that Convergent Management Group LLC was controlled by the S3 Partners. Century Bank, its successor entity Iberia Bank, and individual S3 investors ultimately lost over \$4.5 million in connection with the Oakmont Property.

#### The Scheme to Defraud

25. Beginning in or about 2006, and continuing through on or about 2009, in the Northern District of California and elsewhere the defendants,

MELVIN RUSSELL “RUSTY” SHIELDS,  
MICHAEL SIMS, and  
SAM STAFFORD,

(A) did knowingly conspire and agree to execute, and to attempt to execute, a material scheme and artifice (1) to defraud as to a material matter, and (2) to obtain money by means of materially false and fraudulent pretenses, representations, and promises, and (B) for the purpose of executing such scheme and artifice and attempting to do so (1) did knowingly cause to be transmitted in interstate commerce by a wire communication certain writings, signs, signals, in violation of Title 18, United States Code, Section 1343; (2) did knowingly cause matters and things to be mailed and delivered by the United States Postal Service and through a commercial interstate carrier, in violation of Title 18, United States Code, Section 1341; and (3) did knowingly obtain money owned by and under the custody or control of, a financial institution, in violation of Title 18, United States Code, Section 1344.

26. Beginning in or about 2006, and continuing through on or about 2009, Shields, Sims, and Stafford engaged in a scheme, plan and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises by making materially false statements and failing to disclose material facts. Individual investors and

INDICTMENT

1 banks entrusted Shields, Sims, and Stafford with a total of over \$21 million, but Shields, Sims,  
2 and Stafford failed to invest significant portions of those funds in the manner promised, instead  
3 converting millions of dollars of individual investor and bank money for their personal benefit,  
4 their personal business ventures, and other unauthorized purposes.

5 27. Shields, Sims, and Stafford made false and misleading statements to private  
6 individual investors and banks using, among other things, investment documents, loan  
7 documents, account statements, interest payments, electronic mails, construction invoices, and  
8 verbal communications. Shields, Sims, and Stafford created the false and misleading appearance  
9 that both private individual investor and bank funds were being applied to sound, secured real  
10 estate development projects that offered high rates of returns.

11 28. It was part of the scheme to defraud that, among other conduct, Shields, Sims and  
12 Stafford:

13 (A) Falsely represented to investors and banks that they could choose which S3  
14 Partner real estate development project they would invest in, and that their money would be used  
15 only on that particular project, when in fact, Shields, Sims, and Stafford did not use investor  
16 funds only for the particular projects in which they had invested, but instead diverted those  
17 investors money without their permission or knowledge to other S3 Projects, the S3 Partners'  
18 personal benefit, the S3 Partners' personal business ventures and other unauthorized purposes.

19 (B) Held investor meetings at which, among other things, Shields, Sims and Stafford  
20 lulled investors by making materially false statements, and failing to disclose material  
21 information as to how the S3 Partners would treat investor funds, the security of those funds, and  
22 the status of S3 Partners projects.

23 (C) Falsely represented to investors that there was minimal to no risk in investing with  
24 S3 Partners because investor funds were safe and secured by (1) an ownership portion in valuable  
25 land; and (2) a valuable ownership percentage in an S3 property or development; when in fact,  
26 Shields, Sims and Stafford knew but failed to disclose that investors funds were neither safe nor  
27 secured by valuable land or a valuable percentage of a S3 property or development.

28 (D) Falsely represented to individual investors that they would be repaid first before

INDICTMENT

1 the S3 Partners received money, when in fact Shields, Sims and Stafford were diverting  
2 substantial portions of investor funds for their personal use and other non-authorized uses  
3 without investors having first been repaid.

4 (E) Falsely represented to investors that they would receive predictable annual rates of  
5 return as high as 10 to 16%, when in truth Shields, Sims, and Stafford knew but failed to disclose  
6 that they (1) could not pay investors these rates of return, and (2) were not handling investor  
7 funds in a manner that would allow the payments of these rates of return.

8 (F) Falsely represented to investors that Shields, Sims, and Stafford were individuals  
9 with extensive positive professional experiences and personal financial histories, when in fact the  
10 S3 Partners failed to disclose to investors that (1) Shields had a prior felony larceny conviction in  
11 1986; (2) Shields had filed for Chapter 7 bankruptcy in 1999; and (3) the California Department  
12 of Real Estate had previously suspended Sims' real estate license indefinitely in 1978.

13 (G) Engaged in securities fraud targeting elderly investors by, among other actions,  
14 encouraging those elderly investors to cash out their Individual Retirement Accounts (IRAs) and  
15 wire the proceeds to the S3 Partners for the purchase of shares in an S3 Partners-controlled LLC.

16 (H) Falsely represented to investors and banks that various S3 Partners real estate  
17 development projects were making substantial progress toward completion, when in fact these  
18 projects faced significant financial and logistical problems that would ultimately contribute to  
19 their failure.

20 (I) Represented to investors that profits from S3 Partners business projects would  
21 benefit various charitable and religious organizations, when in fact at least one of these charitable  
22 entities (called the Hungry Planet) did not actually exist, and other charitable and religious  
23 organizations received funds diverted from individual investors as opposed to actual profits on  
24 S3 Partners projects.

25 (J) Defrauded banks by facilitating the purchase of S3 Partners property through a  
26 straw buyer and submitting false documents, including closing documents and forged invoices,  
27 fraudulently claiming that construction work had been completed on various S3 real estate  
28 development projects, thereby inflating the value of an S3 Property to obtain a higher bank loan

INDICTMENT

amount; and allowing the S3 Partners to draw additional funds from a pre-existing construction bank loans.

All in violation of Title 18, United States Code, Sections 1349, 1343, 1341 and 1344.

COUNTS TWO THROUGH TWENTY: (18 U.S.C. § 1343 - Wire Fraud; 18 U.S.C. § 2 Aiding and Abetting)

29. Paragraphs 1 through 28 are incorporated as if fully set forth here.

30. On or about the dates indicated for each of Counts 2 through 20 below, in the Northern District of California and elsewhere, the defendants,

MELVIN RUSSELL "RUSTY" SHIELDS,  
MICHAEL SIMS, and  
SAM STAFFORD,

having devised and intending to devise a scheme and artifice (A) to defraud as to a material matter, and (B) to obtain money by means of materially false and fraudulent pretenses, representations, and promises, for the purpose of executing such scheme and artifice and attempting so to do, did knowingly cause to be transmitted in interstate commerce by a wire communication certain writings, signs, signals, and pictures, namely, the wire transfers of funds described below, and did aid and abet in the same:

Count	Date	Wire Transfer
2	7/5/07	Transfer via FEDWIRE of \$214,946.99 of investor P.W.'s funds from Winston Salem, North Carolina, to Tampa, Florida, via registration wire to East Rutherford, New Jersey
3	7/13/07	Transfer via FEDWIRE of \$34,000 of investor M.N.'s funds from Los Angeles, California, to Tampa, Florida, via registration wire to East Rutherford, New Jersey
4	7/13/07	Transfer via FEDWIRE of \$469,679.02 of investor M.S.'s funds from Honolulu, Hawaii, to Tampa, Florida, via registration wire to East Rutherford, New Jersey
5	8/30/07	Transfer via FEDWIRE of \$100,000 of investor M.W.'s funds from Los Angeles, California, to Tampa, Florida, via registration wire to East Rutherford, New Jersey
6	8/31/07	Transfer via FEDWIRE of \$120,125.88 of investor R.H.'s funds from Los Angeles, California, to Tampa, Florida, via registration wire to East Rutherford, New Jersey
7	10/2/07	Transfer via FEDWIRE of \$333,515.26 of investor R.H.'s funds from

INDICTMENT

		Winston-Salem, North Carolina, to Tampa, Florida, via registration wire to East Rutherford, New Jersey
8	11/21/07	Transfer via FEDWIRE of \$239,494.38 of investor S.K.'s funds from Winston-Salem, North Carolina, to Tampa, Florida, via registration wire to East Rutherford, New Jersey
9	11/23/07	Transfer via FEDWIRE of \$250,000 from Hickory, North Carolina to Hickory, North Carolina, via registration wire to East Rutherford, New Jersey
10	11/30/07	Transfer via FEDWIRE of \$2,396,073.85 of Century Bank funds from Sarasota, Florida, to Tampa, Florida, via registration wire to East Rutherford, New Jersey
11	11/30/07	Transfer via FEDWIRE of \$1,933,179.53 from Tampa, Florida to Tampa, Florida via registration wire to East Rutherford, New Jersey
12	12/20/07	Transfer via FEDWIRE of \$178,000 of investor J.K.'s funds from Los Angeles, California to Chatsworth, California, via registration wire to East Rutherford, New Jersey
13	2/7/08	Transfer via FEDWIRE of \$455,000 of First Saving Bank funds from Las Vegas, Nevada, to Tampa, Florida, via registration wire to East Rutherford, New Jersey
14	2/28/08	Transfer via FEDWIRE of \$265,000 of First Saving Bank funds from Las Vegas, Nevada, to Tampa, Florida, via registration wire to East Rutherford, New Jersey
15	6/9/08	Electronic mail from Shields with the subject "Stagecoach response to letter received today"
16	9/19/08	Electronic mail from Shields with the subject "Investor update"
17	11/26/08	Electronic mail from Shields with the subject "Stagecoach response to letter received today"
18	12/8/08	Electronic mail from Stafford with the subject "RE: Financial Report"
19	4/14/09	Electronic mail from Stafford with the subject "Update, Stagecoach Retail LLC"
20	5/6/09	Electronic mail from Shields with the subject "RE: Phone cal w/Rusty Shields"

All in violation of Title 18, United States Code, Section 1343 and Title 18, United States Code, Section 2.

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INDICTMENT

COUNT TWENTY-ONE: (18 U.S.C. § 1341 – Mail Fraud; 18 U.S.C. § 2 – Aiding and Abetting)

31. Paragraphs 1 through 28 are incorporated as if fully set forth here.

32. On or about the dates listed for Count 21 below, in the Northern District of California and elsewhere, the defendants,

MELVIN RUSSELL “RUSTY” SHIELDS,  
MICHAEL SIMS, and  
SAM STAFFORD,

having knowingly and intentionally devised a material scheme and artifice to defraud and to obtain money by means of materially false and fraudulent pretenses, representations and promises, did for the purpose of executing such scheme and artifice knowingly cause the correspondence described below to be mailed and delivered by the United States Postal Service and did aid and abet in the same:

Count	Date	Item Sent	Sent From	Sent To
21	4/17/08	Letter from Sims	San Jose, CA	San Jose, CA

All in violation of Title 18, United States Code, Section 1341 and Title 18, United States Code, Section 2.

COUNT TWENTY-TWO TO TWENTY-EIGHT (18 U.S.C. § 1344 – Bank Fraud; 18 U.S.C. § 2 – Aiding and Abetting)

33. Paragraphs 1 through 28 are incorporated as if fully set forth here.

34. On or about the dates set forth below, in the Northern District of California and elsewhere, the defendants,

MELVIN RUSSELL “RUSTY” SHIELDS,  
MICHAEL SIMS, and  
SAM STAFFORD,

did execute, and attempt to execute, a scheme and artifice (A) to defraud the financial institution named below as to a material matter, and (B) to obtain any of the moneys, funds, credits, and assets owned by, and under the custody and control of, said financial institution, by means of materially false and fraudulent pretenses, representations, and promises, and material omissions,

**INDICTMENT**



and did aid and abet in the same, as follows:

Count	Date	Financial Institution	False/Fraudulent Submission
22	11/07	Century Bank - Sarasota, Florida	Fraudulent invoice regarding Oakmont Property improvements
23	11/30/07	Century Bank - Sarasota, Florida	Fraudulent closing documents regarding straw buyer purchase of Oakmont Property
24	2/08	First Saving Bank - Las Vegas, Nevada	Fraudulent draw request and invoice regarding Stagecoach Retail Project improvements
25	2/5/08	First Saving Bank - Las Vegas, Nevada	Fraudulent draw request and invoice regarding Stagecoach Retail Project improvements
26	5/22/08	First Saving Bank - Las Vegas, Nevada	Fraudulent draw request and invoice regarding Stagecoach Retail Project improvements
27	8/4/08	First Saving Bank - Las Vegas, Nevada	Fraudulent draw request and invoice regarding Stagecoach Retail Project improvements
28	9/25/08	First Saving Bank - Las Vegas, Nevada	Fraudulent draw request and invoice regarding Stagecoach Retail Project improvements

All in violation of Title 18, United States Code, Section 1344 and Title 18, United States Code, Section 2.

COUNTS TWENTY-NINE THROUGH THIRTY-THREE: 15 U.S.C. §§ 78j(b) and 78ff; 17 C.F.R. §§ 240.10b-5 (Securities Fraud); 18 U.S.C. § 2 (Aiding and Abetting)

35. Paragraphs 1 through 28 are incorporated as if fully set forth here.

36. On or about the dates set forth below, in the Northern District of California and elsewhere, the defendants,

MELVIN RUSSELL "RUSTY" SHIELDS,  
MICHAEL SIMS, and  
SAM STAFFORD,

willfully and knowingly, directly and indirectly, by use of the means and instrumentalities of interstate commerce, the mails and the facilities of national securities exchanges, in connection with the purchase and sale of securities, did use and employ manipulative and deceptive devices

**INDICTMENT**

and contrivances, and aided and abetted others in using and employing manipulative and deceptive devices and contrivances, in contravention of Title 15, United States Code, Sections 78j(b) and 78ff, Title 17, Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2, and Title 18, United States Code, Section 2, by (A) employing devices, schemes and artifices to defraud; (B) making untrue statements of material facts and omitting to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and (C) engaging in acts, practices and courses of business which operated and would operate as a fraud and deceit upon persons, to wit, used and caused others to use the wires and mails in the manner, on or about the dates, set forth below:

Count	Date	Description
29	7/13/07	\$34,000 wire investment by Investor M.N. regarding investment in Stagecoach Retail LLC
30	7/13/07	\$469,679.02 wire investment by Investor M.S. regarding investment in Sonterra Retail Center LLC
31	4/17/08	Letter from Sims mailed to investor J.T. regarding investment in Stagecoach Retail LLC
32	5/22/08	Electronic mail from Stafford with the subject "RE: Stagecoach Retail title report" regarding investment in Stagecoach Retail LLC
33	6/9/08	Electronic mail from Shields with the subject "Stagecoach response to letter received today" regarding investment in Stagecoach Retail LLC

All in violation of Title 15, United States Code, Sections 78j(b) and 78ff; Title 17, Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2; and Title 18, United States Code, Section 2.

**FORFEITURE ALLEGATION:** (18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(C) – Forfeiture of Proceeds of Specified Unlawful Activity)

39. Paragraphs 1 through 28, and Counts 1 through 33, conspiracy to commit wire, mail and bank fraud, wire fraud, mail fraud, bank fraud, and securities fraud are realleged and incorporated as if fully set forth here for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(C).

**INDICTMENT**

Upon conviction for any offense alleged in Counts 1 through 33, for conspiracy to commit wire fraud, mail fraud, and bank fraud; wire fraud; mail fraud; bank fraud, and securities fraud, the defendants,

MELVIN RUSSELL "RUSTY" SHIELDS,  
MICHAEL SIMS, and  
SAM STAFFORD,

shall forfeit to the United States all property, constituting and derived from proceeds traceable to said offense, including, but not limited to: a sum of money equal to the gross proceeds obtained as a result of the offense.


40. If any of said property, as a result of any act or omission of the defendant:

- A. cannot be located upon the exercise of due diligence;
- B. has been transferred or sold to or deposited with, a third person;
- C. has been placed beyond the jurisdiction of the Court;
- D. has been substantially diminished in value; or
- E. has been commingled with other property which cannot be subdivided without difficulty;

any and all interest defendant has in other property shall be vested in the United States and forfeited to the United States pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c) and Rule 32.2 of the Federal Rules of Criminal Procedure.

DATED: May 23, 2012

A TRUE BILL.

  
FOREPERSON

MELINDA HAAG  
United States Attorney

  
JEFF NEDROW  
Chief, San Jose Branch

(Approved as to form: )  
AUSA JOSEPH FAZIOLI

INDICTMENT

**DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT**
 BY: ☐ COMPLAINT ☐ INFORMATION ☒ INDICTMENT  
☐ SUPERSEDING
**OFFENSE CHARGED**

18 U.S.C. § 1349 – (Conspiracy To Commit Wire, Mail, and Bank Fraud); 18 U.S.C. § 1343 – (Wire Fraud); 18 U.S.C. § 1341 – (Mail Fraud); 18 U.S.C. § 1344 – (Bank Fraud); 15 U.S.C. §§ 78j(b) and 78ff, 17 C.F.R. §§ 240.10b-5 and 240.10b5-2 – (Securities Fraud); 18 U.S.C. § 981(a)(1)(C); 28 U.S.C. § 2461(c) (Forfeiture Allegation); and 18 U.S.C. § 2 – (Aiding and Abetting)

☐ Petty  
☐ Minor  
☐ Misdemeanor  
☒ Felony

PENALTY:

\*See attachment

**CR12**

Name of District Court, and/or Judge/Magistrate Location

NORTHERN DISTRICT OF CALIFORNIA

SAN JOSE DIVISION

**DEFENDANT - U.S.**

▶ (1) MELVIN RUSSELL "RUSTY" SHIELDS

DISTRICT COURT NUMBER

**00410**

DEFENDANT

**HRL****PROCEEDING**

Name of Complainant Agency, or Person (&amp; Title, if any)

S/A Frank Reid - FBI

☐ person is awaiting trial in another Federal or State Court, give name of court

☐ this person/proceeding is transferred from another district per (circle one) FRCrp 20, 21, or 40. Show District

☐ this is a reprosecution of charges previously dismissed which were dismissed on motion of:

☐ U.S. ATTORNEY ☐ DEFENSE

SHOW DOCKET NO.

☐ this prosecution relates to a pending case involving this same defendant

MAGISTRATE CASE NO.

☐ prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded under
**IS NOT IN CUSTODY**

Has not been arrested, pending outcome this proceeding.

 1) ☒ If not detained give date any prior summons was served on above charges
2) ☐ Is a Fugitive3) ☐ Is on Bail or Release from (show District)**IS IN CUSTODY**4) ☐ On this charge5) ☐ On another conviction
☐ Federal ☐ State
6) ☐ Awaiting trial on other charges

If answer to (6) is "Yes", show name of institution

 Has detainer been filed? ☐ Yes ☐ No

If "Yes" give date filed

DATE OF ARREST

Month/Day/Year

Or... if Arresting Agency &amp; Warrant were not

DATE TRANSFERRED TO U.S. CUSTODY

Month/Day/Year

Name and Office of Person

Furnishing Information on this form MELINDA HAAG

☒ U.S. Attorney ☐ Other U.S. Agency

Name of Assistant U.S.

Attorney (if assigned)

JOSEPH FAZIOLI

☐ This report amends AO 257 previously submitted
**ADDITIONAL INFORMATION OR COMMENTS****PROCESS:**
☐ SUMMONS ☐ NO PROCESS\* ☒ WARRANT

Bail Amount: No Bail

If Summons, complete following:

☐ Arraignment ☐ Initial Appearance

Defendant Address:

\* Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment

Date/Time:

Before Judge:

Comments:

ATTACHMENT TO PENALTY SHEET

UNITED STATES

vs.

MELVIN RUSSELL "RUSTY" SHIELDS,  
MICHAEL SIMS, and  
SAM STAFFORD

COUNT ONE: 18 U.S.C. § 1349 – (Conspiracy To Commit Wire, Mail, and Bank Fraud)

Maximum Penalties:

20 years imprisonment  
\$250,000 fine, or twice the gain or loss from the offense  
3 years supervised release  
\$100 special assessment

COUNTS TWO THROUGH TWENTY: 18 U.S.C. § 1343 – (Wire Fraud); and  
18 U.S.C. § 2 – (Aiding and Abetting)

Maximum Penalties:

20 years imprisonment  
\$250,000 fine, or twice the gain or loss from the offense  
3 years supervised release  
\$100 special assessment

COUNT TWENTY-ONE: 18 U.S.C. § 1341 – (Mail Fraud); and  
18 U.S.C. § 2 – (Aiding and Abetting)

Maximum Penalties:

20 years imprisonment  
\$250,000 fine, or twice the gain or loss from the offense  
3 years supervised release  
\$100 special assessment

COUNTS TWENTY-TWO  
THROUGH TWENTY-EIGHT: 18 U.S.C. § 1344 – (Bank Fraud); and  
18 U.S.C. § 2 – (Aiding and Abetting)

Maximum Penalties:

30 years imprisonment  
\$1,000,000 fine  
3 years supervised release  
\$100 special assessment

COUNTS TWENTY-NINE  
THROUGH THIRTY-THREE:

15 U.S.C. §§ 78j(b) and 78ff, 17 C.F.R. §§ 240.10b-5  
and 240.10b5-2 - (Securities Fraud);  
18 U.S.C. § 981(a)(1)(C);  
28 U.S.C. § 2461(c) (Forfeiture Allegation); and  
18 U.S.C. § 2 – (Aiding and Abetting)

Maximum Penalties:

20 years imprisonment  
\$5,000,000 fine  
3 years supervised release  
\$100 special assessment



**DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT**
 BY: ☐ COMPLAINT ☐ INFORMATION ☒ INDICTMENT  
☐ SUPERSEDING
**OFFENSE CHARGED**

18 U.S.C. § 1349 – (Conspiracy To Commit Wire, Mail, and Bank Fraud); 18 U.S.C. § 1343 – (Wire Fraud); 18 U.S.C. § 1341 – (Mail Fraud); 18 U.S.C. § 1344 – (Bank Fraud); 15 U.S.C. §§ 78j(b) and 78ff, 17 C.F.R. §§ 240.10b-5 and 240.10b5-2 – (Securities Fraud); 18 U.S.C. § 981(a)(1)(C); 28 U.S.C. § 2461(c) (Forfeiture Allegation); and 18 U.S.C. § 2 – (Aiding and Abetting)

☐ Petty  
☐ Minor  
☐ Misdemeanor  
☒ Felony
**PENALTY:**

\*See attachment

Name of District Court, and/or Judge/Magistrate Location

NORTHERN DISTRICT OF CALIFORNIA

SAN JOSE DIVISION

**DEFENDANT - U.S.**

▶ (2) MICHAEL SIMS

DISTRICT COURT NUMBER

**PROCEEDING**

Name of Complainant Agency, or Person (&amp; Title, if any)

S/A Frank Reid - FBI

☐ person is awaiting trial in another Federal or State Court, give name of court

☐ this person/proceeding is transferred from another district per (circle one) FRCrP 20, 21, or 40. Show District

☐ this is a reprosecution of charges previously dismissed which were dismissed on motion of:

☐ U.S. ATTORNEY ☐ DEFENSE

SHOW DOCKET NO.

☐ this prosecution relates to a pending case involving this same defendant

MAGISTRATE CASE NO.

☐ prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded under
**IS NOT IN CUSTODY**

Has not been arrested, pending outcome this proceeding.

 1) ☒ If not detained give date any prior summons was served on above charges
2) ☐ Is a Fugitive3) ☐ Is on Bail or Release from (show District)**IS IN CUSTODY**4) ☐ On this charge5) ☐ On another conviction
☐ Federal ☐ State
6) ☐ Awaiting trial on other charges

If answer to (6) is "Yes", show name of institution

 Has detainer been filed? ☐ Yes ☐ No

If "Yes" give date filed

**DATE OF ARREST**

Month/Day/Year

Or... if Arresting Agency &amp; Warrant were not

**DATE TRANSFERRED TO U.S. CUSTODY**

Month/Day/Year

Name and Office of Person

Furnishing Information on this form MELINDA HAAG

☒ U.S. Attorney ☐ Other U.S. Agency

Name of Assistant U.S. Attorney (if assigned)

JOSEPH FAZIOLI

☐ This report amends AO 257 previously submitted
**ADDITIONAL INFORMATION OR COMMENTS****PROCESS:**
☐ SUMMONS ☐ NO PROCESS\* ☒ WARRANT

Bail Amount: No Bail

If Summons, complete following:

☐ Arraignment ☐ Initial Appearance

Defendant Address:

\* Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment

Date/Time:

Before Judge:

Comments:

ATTACHMENT TO PENALTY SHEET

UNITED STATES

vs.

MELVIN RUSSELL "RUSTY" SHIELDS,  
MICHAEL SIMS, and  
SAM STAFFORD

COUNT ONE: 18 U.S.C. § 1349 – (Conspiracy To Commit Wire, Mail, and Bank Fraud)

Maximum Penalties:

20 years imprisonment  
\$250,000 fine, or twice the gain or loss from the offense  
3 years supervised release  
\$100 special assessment

COUNTS TWO THROUGH TWENTY: 18 U.S.C. § 1343 – (Wire Fraud); and  
18 U.S.C. § 2 – (Aiding and Abetting)

Maximum Penalties:

20 years imprisonment  
\$250,000 fine, or twice the gain or loss from the offense  
3 years supervised release  
\$100 special assessment

COUNT TWENTY-ONE: 18 U.S.C. § 1341 – (Mail Fraud); and  
18 U.S.C. § 2 – (Aiding and Abetting)

Maximum Penalties:

20 years imprisonment  
\$250,000 fine, or twice the gain or loss from the offense  
3 years supervised release  
\$100 special assessment

COUNTS TWENTY-TWO  
THROUGH TWENTY-EIGHT: 18 U.S.C. § 1344 – (Bank Fraud); and  
18 U.S.C. § 2 – (Aiding and Abetting)

Maximum Penalties:

30 years imprisonment  
\$1,000,000 fine  
3 years supervised release  
\$100 special assessment

COUNTS TWENTY-NINE  
THROUGH THIRTY-THREE:

15 U.S.C. §§ 78j(b) and 78ff, 17 C.F.R. §§ 240.10b-5  
and 240.10b5-2 - (Securities Fraud);  
18 U.S.C. § 981(a)(1)(C);  
28 U.S.C. § 2461(c) (Forfeiture Allegation); and  
18 U.S.C. § 2 – (Aiding and Abetting)

Maximum Penalties:

20 years imprisonment  
\$5,000,000 fine  
3 years supervised release  
\$100 special assessment

**DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT**
 BY: ☐ COMPLAINT ☐ INFORMATION ☒ INDICTMENT  
☐ SUPERSEDING
**OFFENSE CHARGED**

18 U.S.C. § 1349 - (Conspiracy To Commit Wire, Mail, and Bank Fraud); 18 U.S.C. § 1343 - (Wire Fraud); 18 U.S.C. § 1341 - (Mail Fraud); 18 U.S.C. § 1344 - (Bank Fraud); 15 U.S.C. §§ 78j(b) and 78ff, 17 C.F.R. §§ 240.10b-5 and 240.10b5-2 - (Securities Fraud); 18 U.S.C. § 981(a)(1)(C); 28 U.S.C. § 2461(c) (Forfeiture Allegation); and 18 U.S.C. § 2 - (Aiding and Abetting)

☐ Petty  
☐ Minor  
☐ Misdemeanor  
☒ Felony
**PENALTY:**

\*See attachment

Name of District Court, and/or Judge/Magistrate Location

NORTHERN DISTRICT OF CALIFORNIA

SAN JOSE DIVISION

**DEFENDANT - U.S.**

(3) SAM STAFFORD

DISTRICT COURT NUMBER

CR12 00410

LHK  
DEFENDANTHRL  
SEALED BY ORDER  
OF THE COURT**PROCEEDING**

Name of Complainant Agency, or Person (&amp; Title, if any)

S/A Frank Reid - FBI

☐ person is awaiting trial in another Federal or State Court, give name of court

☐ this person/proceeding is transferred from another district per (circle one) FRCrp 20, 21, or 40. Show District

☐ this is a reprosecution of charges previously dismissed which were dismissed on motion of:

☐ U.S. ATTORNEY ☐ DEFENSE
SHOW  
DOCKET NO.
☐ this prosecution relates to a pending case involving this same defendant
MAGISTRATE  
CASE NO.
☐ prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded under

Name and Office of Person

Furnishing Information on this form MELINDA HAAG

☒ U.S. Attorney ☐ Other U.S. Agency

Name of Assistant U.S. Attorney (if assigned)

JOSEPH FAZIOLI

**IS NOT IN CUSTODY**

Has not been arrested, pending outcome this proceeding.

 1) ☒ If not detained give date any prior summons was served on above charges

 2) ☐ Is a Fugitive

 3) ☐ Is on Bail or Release from (show District)
**IS IN CUSTODY**
 4) ☐ On this charge

 5) ☐ On another conviction

☐ Federal ☐ State

 6) ☐ Awaiting trial on other charges

If answer to (6) is "Yes", show name of institution

 Has detainer been filed? ☐ Yes ☐ No

If "Yes" give date filed

DATE OF ARREST

Month/Day/Year

Or... if Arresting Agency &amp; Warrant were not

DATE TRANSFERRED TO U.S. CUSTODY

Month/Day/Year

☐ This report amends AO 257 previously submitted
**ADDITIONAL INFORMATION OR COMMENTS****PROCESS:**
☐ SUMMONS ☐ NO PROCESS\* ☒ WARRANT

If Summons, complete following:

☐ Arraignment ☐ Initial Appearance

Defendant Address:

Bail Amount: No Bail

\*Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment

Date/Time: Before Judge:

Comments:

ATTACHMENT TO PENALTY SHEET

UNITED STATES

vs.

MELVIN RUSSELL "RUSTY" SHIELDS,  
MICHAEL SIMS, and  
SAM STAFFORD

COUNT ONE: 18 U.S.C. § 1349 – (Conspiracy To Commit Wire, Mail, and Bank Fraud)

Maximum Penalties:

20 years imprisonment  
\$250,000 fine, or twice the gain or loss from the offense  
3 years supervised release  
\$100 special assessment

COUNTS TWO THROUGH TWENTY: 18 U.S.C. § 1343 – (Wire Fraud); and  
18 U.S.C. § 2 – (Aiding and Abetting)

Maximum Penalties:

20 years imprisonment  
\$250,000 fine, or twice the gain or loss from the offense  
3 years supervised release  
\$100 special assessment

COUNT TWENTY-ONE: 18 U.S.C. § 1341 – (Mail Fraud); and  
18 U.S.C. § 2 – (Aiding and Abetting)

Maximum Penalties:

20 years imprisonment  
\$250,000 fine, or twice the gain or loss from the offense  
3 years supervised release  
\$100 special assessment

COUNTS TWENTY-TWO  
THROUGH TWENTY-EIGHT: 18 U.S.C. § 1344 – (Bank Fraud); and  
18 U.S.C. § 2 – (Aiding and Abetting)

Maximum Penalties:

30 years imprisonment  
\$1,000,000 fine  
3 years supervised release  
\$100 special assessment

COUNTS TWENTY-NINE  
THROUGH THIRTY-THREE:

15 U.S.C. §§ 78j(b) and 78ff, 17 C.F.R. §§ 240.10b-5  
and 240.10b5-2 - (Securities Fraud);  
18 U.S.C. § 981(a)(1)(C);  
28 U.S.C. § 2461(c) (Forfeiture Allegation); and  
18 U.S.C. § 2 – (Aiding and Abetting)

Maximum Penalties:

20 years imprisonment  
\$5,000,000 fine  
3 years supervised release  
\$100 special assessment



SEALED BY ORDER  
OF COURTUnited States District Court  
Northern District of California

## CRIMINAL COVER SHEET

FILED  
MAY 23 2012  
CLERK U.S. DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN JOSE

**Instructions:** Effective January 3, 2012, this Criminal Cover Sheet must be completed and submitted, along with the Defendant Information Form, for each new criminal case. Please place this form on top of the Defendant Information Form.

Case Name:

USA v. SHIELDS, SIMS, and STAFFORD

Case Number

CR12 00410 LHK HRL

Total Number of Defendants:

1 \_\_\_\_\_ 2-7 ☒ 8 or more \_\_\_\_\_

Is This Case Under Seal?

Yes ☒ No \_\_\_\_\_

Does this case involve ONLY charges under 8 U.S.C. § 1325 and/or 1326?

Yes \_\_\_\_\_ No ☒

Venue (Per Crim. L.R. 18-1):

SF \_\_\_\_\_ OAK \_\_\_\_\_ SJ ☒

Is this a death-penalty-eligible RICO Act gang case?

Yes \_\_\_\_\_ No ☒

Assigned AUSA (Lead Attorney):

JOSEPH FAZIOLI

Comments:

Date Submitted:

5/23/12